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November 19, 2018

Via Electronic Mail

Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Gen. Docket No. 10-4
Notice of Ex Parte Communication

Dear Madam Secretary:

Volkswagen Group of America, Inc. ("VWGoA"), by and through its undersigned counsel, hereby give notice that, in response to an inquiry from the staff of the Mobility Division (the "Division"), representatives of VWGoA met with members of the Division on Friday, November 16, 2018, to discuss the matters addressed below.

In attendance for VWGoA were: David Geanacopoulos, Senior Executive Vice President; Richard Whittemore, Connected Vehicle Portfolio Manager; Alison Pascale, Senior Policy Strategist, Audi of America; Elizabeth Mykytiuk, Assistant General Counsel for Regulatory and Litigation; and the undersigned.

In attendance on behalf of the Division were: Roger Noel, Chief; Kathleen Harris, Deputy Chief; and Amanda Huetinck, Esq.

The matters that the Division initially had sought clarification on involved the time periods raised in VWGoA's Comments in the instant proceeding (filed May 18, 2018) that might be needed for an automobile manufacturer to come into compliance with certain potential new regulations governing cellular telephone boosters embedded into cars as part of the manufacturing process.

Specifically, VWGoA had stated that, with respect to required changes to the text in the hard-copy owner's manual, it might need up to 18 months after the release of a new rule to bring a specific manual into compliance. See VWGoA Comments at 4. This time period is based, in major part, on the timing of the release of the rule juxtaposed with the standard annual revision cycle for the written manual for a particular car model. Attached hereto, and distributed to the

Division representatives, is a representative standard timeline for the annual owners manual revision process. The chart illustrates a typical (for Audi) 7-month timeline for the annual revision of the hard-copy owner's manual. Assuming that the release of new regulations occurs just prior to, or early in, that 7-month timeline, compliance should be achieved at the end of the revision cycle and the introduction of that new model-year car. The 18-month period recommended by VWGoA was designed to accommodate the situation in which a new rule is released toward the end of that revision process, thus rendering it impossible to insert the required changes until the next cycle for that particular car model (one of a dozen or so separate models marketed each year by just Audi), coupled with the flexibility needed to address not-infrequent unforeseen complications in this process.

For electronic versions of, e.g., the consumer warning notice, or the separate written notice handed to each customer by the relevant dealer as a standard part of the delivery process, VWGoA reaffirmed that it could comply with any such changes within 180 days. See VWGoA Comments at 4.

Additionally, we discussed with the Division representatives VWGoA's recommended 3-year time period for coming into compliance with physical changes (hardware and/or software) that might be required to be made to the booster system. See VWGoA Comments at 5. As discussed, the number of variables in this scenario is almost infinite: the nature and extent of the required changes, the scope of whatever re-engineering is required to effectuate those changes (including coordinating with relevant equipment suppliers and software designers), and when in the manufacturing and/or design (major or minor) process, the new rules are released. Each of the separate dozen or so separate Audi models is designed for up to 7-year life cycle, typically with a mid-cycle major refreshment or upgrade planned for each model. The infotainment package, of which the cell booster is an optional part, is assumed to need a significant redesign on a 3-year cycle.

Recalling that each of the separate models is on a different cycle, and that the lead time for design and manufacture of an entirely new model can be upwards of 5 years, the need for a 3-year grace period to comply with any new rules that implicate the manufacturing process is clear. Obviously, depending on the timing of the release of those new rules, at least some models could be brought into compliance sooner, but that clearly would not the case for others.

With respect to possible changes to the car's design mandated by some new rule, we discussed the so-called "kill switch" and related matters. We emphasized, as we previously had done, see VWGoA Comments at 2-3, that, given the design of the Audi (and the essentially identical Bentley and Porsche) booster system, no separate deactivation mechanism was needed. Instead, just an appropriate reminder to customers that if they have received notice from their carrier or the FCC, or they feel independently that the system is not working properly, they should not put the phone in the center console, which keeps the system from turning on, should prove equally efficacious. There seems to be little difference in the likelihood of compliance in this regard between (1) instructing the customer to not use the system until it has been repaired by the dealer, and (2) having a kill switch available that accomplishes the same result. If the customer is not inclined to stop using the booster despite a directive from, e.g., his carrier, it seems equally unlikely that he nevertheless will hit a kill switch.

In a related vein, we discussed that, although these devises are just now entering the US market, similar systems (albeit using the prior technology rendered noncompliant by the

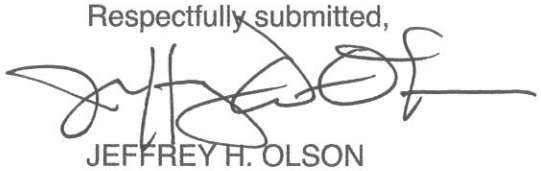
Commission's 2013 Report and Order in the instant Docket) have been operation in Europe for over a decade without apparent problems. In this context, we again pointed out that, as opposed to the consumer-installed systems that may be purchased at a consumer electronics store or via the Internet, automotive equipment, including electronics systems such as embedded boosters, are far more robust, as they must be built to a standard that will survive a decade-long life span. There simply is no reason to suspect high incidents of failure of these embedded systems.

This discussion led to a conversation regarding the fact that no secondary market in these embedded boosters is ever likely to evolve. As was emphasized in VWGoA's Reply Comments (filed June 18, 2018) at 3-4, as opposed to the free-standing booster available for use in the home, these devices are not physically accessible to the consumer and are highly integrated with the car's overall electronics suite, using, inter alia, proprietary hardware and software interconnections. One cannot successfully install an Audi booster into, e.g., a Buick, thus refuting the nightmare scenario posited by some of the carriers about secondary markets and rogue, non-certificated equipment entering the marketplace.

Similarly, we discussed the fact that these distinctions between embedded boosters and consumer-installed ones demonstrate that requiring the embedded boosters to carry the consumer warning language would represent the worst sort of meaningless regulation. No one would ever see the label except workers at the factory that manufactures them (presumably where the label would be applied, but only to units destined for US-bound cars, which represent only a small fraction of Audi's overall production), and then the workers at the Audi manufacturing plant that installs the US-labeled booster in an essentially inaccessible location in cars bound for the US. The intended target of the notice - - the ultimate US purchaser of the car - - will never see that notice. There simply is no point to such a requirement, beyond increasing manufacturing costs.

If there are any questions regarding this matter, please contact the undersigned.

Respectfully submitted,



JEFFREY H. OLSON
Attorney for
VOLKSWAGEN GROUP OF AMERICA, Inc.

cc (by electronic mail):

Roger Noel
Kathleen Smith
Amanda Huetinck

Audi Owner's Manual Development Timeline

Illustrative for Model Year 2020 Audi A4